

## SECOND AMENDMENT TO LEASE

**THIS SECOND AMENDMENT TO LEASE** is made and entered into this 9th day of February, 2007 (the "Agreement Date") by and between SAUL SUBSIDIARY II LIMITED PARTNERSHIP (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND (hereinafter referred to as "Tenant") T/A WHITE OAK LIQUOR & WINE, MCDLC,

**WHEREAS**, Landlord and Tenant have entered into that certain Lease dated May 20, 1992 and Amendment to Lease dated March 24, 1997 (collectively the "Lease") for approximately 5,499 square feet of space in the White Oak Shopping Center located at 11267 New Hampshire Avenue, Silver Spring, Maryland 20904; and

**WHEREAS**, the parties hereto desire to enter into this Second Amendment to Lease for the purposes hereinafter set out.

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **TERM.** Article 2 of the Lease captioned "Term" is hereby modified to extend the term of the Lease sixty (60) months commencing on June 1, 2007 and ending at midnight on May 31, 2012.

2. **MINIMUM RENT.** Article 3 of the Lease captioned "Rent" is hereby modified to provide the following:

(a) Tenant shall pay Minimum Rent in the amount of One Hundred Sixty-Five Thousand Seven Hundred Ninety-Four and Eighty-Five One-Hundredth Dollars (\$165,794.85) per year in equal monthly installments of Thirteen Thousand Eight hundred Sixteen and Twenty-Four One-Hundredth Dollars (\$13,816.24) each for the period commencing on the first day of June, 2007 and ending on the last day of May, 2008; and

(b) Commencing on the first day of June, 2008 and on the first day of each succeeding twelve (12) month period, Minimum Rent shall be increased to an amount equal to one hundred three percent (103%) of the amount of Minimum Rent payable for the preceding twelve (12) month period, and shall be payable as provided above in equal monthly installments of one-twelfth (1/12th) of such annual amount.

3. **NOTICES.** Article 31 of the Lease captioned "Notices" is hereby deleted in its entirety and the following language shall be inserted in lieu thereof: "All notices, rent or other payments required or desired to be given hereunder by either party to the other shall be sent by first class mail, postage prepaid, or by a reputable commercial messenger service, except that notices of default and notices related to the exercise of options or other rights under this Lease shall be sent by certified mail, return receipt requested or by a receipted overnight commercial messenger service (such as Federal Express or Airborne Express) for delivery on the next following business day. Notice of any matter given orally, by telephone, facsimile, email or in any form other than as provided in this Article 31 shall be of no force or effect, and shall not be binding on the intended recipient unless the intended recipient, at its option and without any obligation to do so, sends the party sending such communication a notice in accordance with this Article 31 accepting receipt of such non-conforming notice and waiving the requirements of this Article 31. Consent by Landlord to any non-conforming notice shall not constitute a waiver of the requirements of this Article 31 with respect to any subsequent notice or notices. Notices sent by mail shall be deemed to be received on the date of actual receipt by the recipient or on the date delivery is refused. Notices sent by a receipted overnight commercial messenger service shall be deemed received on the next business day after depositing with such delivery service. Notices to the respective parties, and any amounts required to be paid hereunder, shall be addressed and sent as follows:



If to Landlord:       NOTICES AND CORRESPONDENCE  
                              c/o Windham Management Company  
                              7501 Wisconsin Avenue, Suite 1500  
                              Bethesda, Maryland 20814-6522  
                              cc: Legal Department

RENT, PAYMENTS, ETC.  
c/o Saul Subsidiary I Limited Partnership  
P.O. Box 64812  
Baltimore, Maryland 21264-4812

If to Tenant:       16650 Crabbs Branch Way  
                          Rockville, Maryland 20855  
                          Attention: Department of Liquor Control

Montgomery County, Maryland  
Department of Public Works & Transportation  
Office of Real Estate  
101 Monroe Street, 10<sup>th</sup> Floor  
Rockville, Maryland 20850  
Attention: Director of Real Estate

With a copy that does not constitute notice to:

Montgomery County, Maryland  
Office of the County Attorney  
101 Monroe Street, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850  
Attention: County Attorney

Either party may designate a substitute address, from time to time, by notice in writing sent in accordance with the provisions of this Article 31."

4.     **OPTION.** Tenant shall have the option to renew the term of the Lease for one (1) additional term of five (5) years, following the expiration of the term of the Lease as hereby extended (the "Option Term"), provided that the Lease is in full force and effect, that the Tenant named herein shall be in possession and occupying the Premises, and Tenant shall not be in default in the performance or observance of any of the terms, provisions, covenants and/or conditions of the Lease, either on the date of the exercise of any Option Term granted herein or on the day the Option Term begins. To be effective, such rights of renewal must be exercised by delivery to Landlord of an unequivocal written notice of Tenant's exercise of its right to renew at least six (6) but not more than nine (9) months prior to the expiration of the term of the Lease. The Option Term shall be on the same terms, covenants and conditions as the original term, except (i) as to the number of Option Terms (if any) remaining, and (ii) that the Minimum Rent during the Option Term shall be increased as provided below:

(a) Tenant shall pay Minimum Rent in the amount of One Hundred Ninety-Two Thousand Two Hundred One and Sixty-Eight One-Hundredth Dollars (\$192,201.68) per year in equal monthly installments of Sixteen Thousand Sixteen and Eighty-One One-Hundredth Dollars (\$16,016.81) each for the period commencing on the first day of the first Lease Year of the Option Term and ending on the last day of the first Lease Year of the Option Term inclusive; and

(b) Commencing on the first day of the second Lease Year of the Option Term and on the first day of each succeeding Lease Year of the Option Term, Minimum Rent shall be increased to an amount equal to one hundred three percent (103%) of the amount of Minimum Rent payable for the preceding Lease Year, and shall be payable as provided above in equal monthly installments of one-twelfth (1/12th) of such annual amount.



5. **MISCELLANEOUS.** Except as specifically modified hereby, the Lease shall remain in full force and effect in accordance with the terms contained therein and is hereby ratified, approved and confirmed in all respects. Any agreement, obligation or liability made, entered into or incurred by or on behalf of Landlord binds only its property and no shareholder, trustee, officer, director, employee, partner or agent of the Landlord assumes or shall be held to any liability therefor. The provisions of this Second Amendment to Lease shall be binding upon the parties hereto, their successors, and to the extent permitted under the Lease, their assigns. If drafts of this Agreement or other communications between the parties were sent by email or other electronic methods, then the following additional provisions shall also apply: (i) any typewritten signature included with any e-mail or any document attached to any email is not an electronic signature within the meaning of Electronic Signatures in Global and National Commerce Act or any other law of similar import, including without limitation, the Uniform Electronic Transactions Act ("UETA"), as the same may be enacted in any State, (ii) any transmission of this Agreement is not intended as an "electronic signature" to a "record" of such transaction (as those terms are defined under UETA); instead, it is Landlord's intention that a record of such transaction shall be created only upon manually-affixed original signatures on an original document, and (iii) the final, definitive version of this Agreement shall be created by Landlord (the "Final Draft"), and Tenant authorizes Landlord to affix to the Final Draft the original, manually executed signature pages attached by Tenant to the executed document submitted by Tenant to Landlord.

6. **INTERPRETATION.** The submission of this Second Amendment for examination does not constitute an agreement, an option or an offer, and this Second Amendment becomes effective only upon execution and delivery thereof by Landlord. Neither party shall have any legal obligation to the other in the event that the Second Amendment contemplated herein is not consummated for any reason. Discussions between the parties respecting the proposed Second Amendment described herein, shall not serve as a basis for a claim against either party or any officer, director or agent of either party. Captions and headings are for convenience and reference only and shall not in any way define, limit or describe the scope or content of any provision of this Second Amendment. Except as otherwise provided herein, capitalized terms shall have the same meaning as set forth in the Lease. Whenever in this Second Amendment (i) any printed portion, or any part thereof, has been stricken out, or (ii) any portion of the Lease (as the same may have been previously amended) or any part thereof, has been modified or stricken out, then, in either of such events, whether or not any replacement provision has been added, this Second Amendment and the Lease shall hereafter be read and construed as if the material so stricken out were not included, and no implication shall be drawn from the text of the material so stricken out which would be inconsistent in any way with the construction or interpretation which would be appropriate if such material had never been contained herein or in the Lease. The Exhibits referred to in this Second Amendment and attached hereto are a substantive part of this Second Amendment and are incorporated herein by reference.

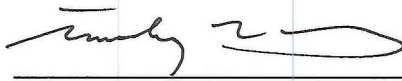
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Signature page follows.

**WITNESS** the following signatures and seals.

ATTEST:

TENANT: MONTGOMERY COUNTY,  
MARYLAND

Rebecca S. Domaruk  
(seal) Secretary

By: 

Name: Timothy L. Firestine  
Title: Chief Administrative Officer


Date: 2-9-07

Tax I.D. Number: 52-000980

APPROVED AS TO FORM AND  
LEGALITY OFFICE OF THE  
COUNTY ATTORNEY:

RECOMMENDED:

By: Eileen T. Basaman

By: 

Name: Eileen T. Basaman

Name: Cynthia Brenneman

Title: Associate County Attorney

Title: Director, Office of Real Estate

Date: 2/5/2007

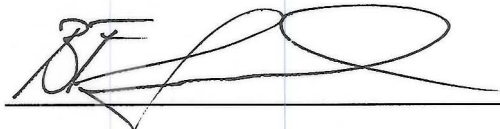
Date: 2/2/07

ATTEST:

LANDLORD: SAUL SUBSIDIARY I  
LIMITED PARTNERSHIP

By: Saul QRS, Inc., General Partner

Stephanie N. Pacer MFS  
(seal) Assistant Secretary

By: 

Name: B. Francis Saul III  
Title: President